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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Letter dated 1 May 1995 from the Chairman of the Phase II Working Group on Reimbursement of Contingent-Owned Equipment to the Chairman of the Fifth Committee

In my capacity as Chairman of the Phase II Working Group on Reimbursement of Contingent-Owned Equipment, I have the honour to transmit to the Fifth Committee the report of that Working Group dated 7 April 1995.

(Signed) Major-General Hazem FAWZY
Chairman
Phase II Working Group

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Annex

REFORM OF METHODOLOGY AND PROCEDURES FOR DETERMINING REIMBURSEMENTS TO TROOP-CONTRIBUTING COUNTRIES FOR CONTINGENT-OWNED EQUIPMENT*

Report of the Phase II Working Group on Reimbursement of Contingent-Owned Equipment

7 April 1995

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* The equipment of, and belonging to, military observers, civilian police and staff officers is specifically excluded from the scope of this report.

I. INTRODUCTION

1. By section II of its resolution 49/233 A of 23 December 1994, the General Assembly, recognizing the problems of the current system pertaining to the determination of the value of contingent-owned equipment and the consequent delay in reimbursement to States providing troops and equipment, authorized the Secretary-General to proceed with the project plan and time-line outlined in the annex to that resolution, aimed at setting comprehensive standards for each category of equipment, as well as establishing rates of reimbursement.

2. The project plan and time-line calls for five phases, with phases II and III representing the critical aspects of the project. Under phase II a working group consisting of technical experts from troop-contributing countries met during the period from 27 March 1995 to 7 April 1995. The present report represents the work of the Phase II Working Group.

3. The recommendations of the Working Group contained in section IV of the present report form the policy guidelines for the work of financial experts to be undertaken in phase III of the project. The Working Group also made recommendations for changes of policy regarding procedures which require further consideration, review and approval by other policy-making organs, such as the Fifth Committee, and the Secretary-General. These are contained in section V of the present report.

4. The Working Group was chaired by Major-General Hazem Fawzy, Deputy Financial Authority, Ministry of Defence of Egypt. Colonel Bo Brandt, Counsellor and Military Adviser, Permanent Mission of Denmark to the United Nations, acted as Vice-Chairman.

II. SUMMARY OF STATEMENTS BY THE SECRETARIAT

5. The Assistant Secretary-General for Programme Planning, Budget and Accounts, Department of Administration and Management, Controller, welcomed the representatives and outlined the importance of the need for a better method of reimbursement. He pointed out three major issues relating to contingent-owned equipment, namely, the need for new procedures for implementation, cash-flow problems relating to reimbursement and the issue of standard rates.

6. The Military Adviser, speaking on behalf of the Assistant Secretary-General, Office of Planning and Support, Department of Peace-keeping Operations, welcomed the participants, indicating that their presence at the United Nations was a testimony of the need to improve the way business was done together. He indicated that the Secretary-General had received a mandate from the General Assembly to find a simplified method of reimbursement, allowing for faster payment to troop-contributing countries. He requested the good will of all participants to ensure a successful meeting.

III. SUMMARY OF DISCUSSION AND PRESENTATIONS IN THE WORKING GROUP

General comments

7. The representatives welcomed the proposal of the Secretary-General to streamline the methodology and procedures for reform. There was general agreement that a simplified procedure should be introduced at the earliest opportunity. The representative pointed out that any new procedure should be equitable to both the United Nations and the troop-contributing countries and that the new arrangements should incorporate timely reimbursement. In developing the recommendations in the report, there was a need for the Working Group to adopt a consensus approach, recognizing that the Members of the United Nations should join in affording mutual assistance in carrying out the measures decided upon by the Security Council, that the costs of peace-keeping operations were a burden shared by all Member States and that logistics support was a fundamental United Nations responsibility. That consensus made it possible for a simpler and more effective reimbursement process for contingent-owned equipment to be developed and recommended.

8. Six Member States, namely, Belgium, Canada, Denmark, Egypt, India and New Zealand, submitted written proposals for a reform of the methodology. Those proposals are summarized in annex IV to the present report.

9. Most Member States indicated that a comparative trial Peace-keeping Services Agreement between the Government of Canada and the United Nations, currently being tested in Haiti, was a useful starting-point and that, with some adjustments, it could serve as the basis for the wet/dry leasing concept, whereby some minor items would be considered for reimbursement under the major items, and some would be considered for reimbursement under a minor equipment/consumable dollar reimbursement rate. There was general support for introducing a standard agreement for use by troop-contributing countries. Such a "contract" should however provide some flexibility to account for mission-specific factors, including infrastructure, topography, climatic conditions and intensity of use.

10. The Working Group was presented with a table of organization and equipment, containing proposals by the Secretariat for establishing standard units and equipment to be brought into the mission area. Some representatives pointed out that certain specialist units and equipment might not lend themselves to uniformity and standards and that some flexibility might be necessary.

11. The Working Group reached early agreement that a force leasing concept based on a wet/dry lease arrangement should be adopted for sion budgeting, expenditure control and cost reimbursement. It was also agreed to expand the scope of the Working Group's mandate to consider a dollar reimbursement rate linked to troop strengths to cover self-sufficiency costs. The Working Group agreed that such costs were exclusive of the reimbursement rates approved by the General Assembly in its resolution 45/258 of 3 May 1991 (e.g., the $988 troop cost reimbursement rate).

12. The coordinator of resolution 49/233, in a statement to the Working Group, pointed out the importance of arriving at reasonable and realistic standards for

reimbursement of contingent-owned equipment based on standardized costs, in order to simplify the procedures and provide more predictable and credible mission budgets.

Processing of prior claims

13. The Working Group urged Member States to finalize and submit in and out-surveys to make possible the early processing of claims. Additionally it encouraged troop-contributing countries to assist the Secretariat to expedite the processing of prior claims and to consider the use of the new reimbursement methodology for prior claims, wherever possible.

Significant issues addressed by the Working Group

14. During the course of the deliberations, the following significant issues were examined in detail and agreement reached upon an equitable and effective course of action.

Wet/dry lease system

15. The Working Group agreed that if the proposed system was to meet the principles and guidelines outlined in annex I to the present report and be subject to a complete audit, as well as accelerating reimbursement, the most critical issue must be the classification of equipment and supplies into categories of major equipment, minor equipment, and consumables as defined in annexes II and III, with major equipment forming the basis of the wet/dry lease system, and minor equipment and consumables being linked to either major equipment or to self-sustainment on a standard cost basis.

16. The Working Group agreed that a dry lease system consists of an equipment use charge to compensate troop-contributing countries for the non-availability of contingent-owned equipment in their home country.

17. The Working Group agreed to the following definitions:

(a) The dry lease concept allows for a country to provide equipment to a peace-keeping mission, with the United Nations assuming responsibility for maintaining the equipment. Under this system, costs associated with categories of deployed major and minor equipment would be reimbursable. Dry lease equipment may be operated by either the equipment-providing country or another troop-contributing country. The contractual relationship will be between the United Nations and the equipment-providing country and/or the United Nations and the equipment-operating country;

(b) The wet lease concept provides for a contributing country to assume responsibility for maintaining and supporting deployed major and minor items of equipment. The contributing country would be entitled to reimbursement for providing this support.

18. The major component of the modular dry lease system is an equipment use charge that compensates contributors for the non-availability of contingent-

owned equipment while in the mission area and, for equipment with a value of less than that agreed as the threshold during phase III, if damaged or destroyed. This charge comprises the following elements:

(a) The generic fair market value, which includes all issue items associated with the equipment in the performance of its operational role. This value would recognize the equipment-contributing country's initial purchase price, major capital improvements, the impact of inflation, and any relevant discount factors relating to the prior use of the equipment;

(b) A factor reflecting potential loss or damage of equipment valued at less than the threshold value while in the mission area. Loss or damage of equipment valued at over the threshold value will be dealt with as an unforeseen event as defined in annex II to the present report, paragraph 15;

(c) A useful life component which would recognize the expected life of equipment. An additional generic factor may be applied to reflect the level of intensity of use.

19. A method of expressing the computation for the monthly equipment use charge for the modular dry lease system is:

Generic fair market value over useful life (in months) plus a standard factor for attrition for excessive wear and tear or replacement value over useful life (in months), whichever is less.

20. Components of the modular wet lease system would include all four elements mentioned below, taking into account the comments made in paragraphs 21 to 23 below:

(a) Equipment use charge (as per dry lease);

(b) Spare parts: An average cost associated with the use of repair parts to support the equipment would be added to the equipment use charge. This will include a factor to account for costs associated with maintaining a spare parts inventory in the mission area and transporting spare parts into the mission area (the transport cost to be based on distance zone modules);

(c) Maintenance: An average cost associated with maintaining the equipment in the mission area to the standards established by the United Nations, regardless of the means used by the contingent to provide this service, would be added to the equipment use charge. This will include a factor for periodic repair and overhaul and for the provision of test equipment, tools and consumables, but is exclusive of the costs of contingent military personnel for whom reimbursement is provided under General Assembly resolution 45/258;

(d) Minor equipment: An average cost associated with minor equipment necessary to support the major equipment, but not reimbursed under another category, would also be added to the equipment use charge. This will include a factor to account for potential loss or damage.

21. The United Nations may request a troop-contributing country to provide petroleum, oils and lubricants, particularly during the start-up phase. In these circumstances, reimbursement will be made through letter-of-assist arrangements.

22. Equipment preparation costs associated with preparing contingent-owned equipment for deployment to the mission area (painting or repainting of national colours on redeployment, United Nations markings, winterization, etc.) will not be included in the wet/dry lease system but will be reimbursed separately, at a rate to be determined by the United Nations and the troop-contributing country.

23. The special costs of preparing and refurbishing specialist equipment leased for a relatively short duration will not be included in the wet/dry lease system but will be separately negotiated between the United Nations and the contributing country.

Contingent-owned equipment and reimbursement rates

24. The Working Group agreed that the basic equipment use charge for major and minor equipment and consumables would be calculated at established standard rates. For special equipment (e.g., main battle tanks, aircraft and vessels or high-valued equipment), rates could be developed bilaterally with individual States, on the basis of Member States' cost data. The Phase III Working Group should adjust the table in annex III to the present report as necessary in order to maximize the number of standard cost items and minimize the number of special cases. The Working Group recommends that the Secretariat consult with Member States to establish the standard rates. The outcome of those consultations should be submitted to Member States participating in the Phase III Working Group prior to their meeting scheduled for June/July 1995.

25. The Working Group agreed that environmental and operational conditions have a significant impact on the wear and tear of equipment, consumption of supplies, and the quantity of minor equipment necessary to support military operations. An adjustment to standard reimbursement rates is required to account for those effects. Levels, rates, and calculation methodology will be discussed during phase III and subsequently revised on an biannual basis by the United Nations and the Member States.

Self-sustainment relating to minor equipment and consumables

26. While major equipment and its immediately associated minor equipment will be accounted for on entry into the mission area and reimbursed on the basis of standard wet and dry lease rates, the remainder of minor equipment, consumables and services will be reimbursed on the basis of the contingent's deployed troop strength. To determine the value of such reimbursement, the Working Group agreed that the following principles would apply:

(a) No item, cost or service currently eligible for reimbursement under General Assembly resolution 45/258 (agreed personnel reimbursement rates would remain payable separately) shall be included;

(b) Minor equipment and consumables directly related to major equipment and reimbursed under the wet and dry lease system are excluded;

(c) Such reimbursement applies only to self-sufficient units as defined in annex II to the present report, paragraph 13. Elements of national contingents provided as individuals, and supported either by the United Nations or by another contingent, will not be reimbursed under this system;

(d) Where a country provides a self-sufficient capability for use by other countries, such as field headquarters, special arrangements will apply;

(e) Reimbursement for self-sufficiency will be modular in nature for each of the items shown in paragraph 27 below. Where a country is not self-sufficient, or when the United Nations provides goods or services, there shall be no reimbursement for the affected category.

27. Minor equipment, services and consumables allocated under the self-sufficiency dollar-rate reimbursement system based on troop strength are categorized as follows (each category includes associated tools, test equipment and spare parts):

(a) Catering equipment, combat rations and water;

(b) Communications equipment for non-signals units;

(c) Telephone equipment;

(d) Office furniture and equipment, including office supplies;

(e) Power generation equipment;

(f) Minor engineering equipment (compressors, pumps, heaters, etc.);

(g) Mine-clearing equipment;

(h) Laundry and cleaning equipment, including necessary consumables;

(i) Tentage and/or accommodation, including bedding and furnishings;

(j) Medical and dental equipment, including blood and blood products and medical/dental consumables, except where specialized medical or dental units are deployed, in which case such equipment will be included under the wet/dry lease system as major equipment;

(k) Observation equipment;

(l) Identification equipment;

(m) Anti-biological/chemical and riot protection equipment, when specifically requested by the United Nations;

(n) Field defence stores;

(o) Unique environmental equipment not normally held in the contributing country's inventory.

28. The Working Group agreed that a set of standard rates for dollar-rate reimbursement would be calculated. The Working Group requests the Secretariat to consult with Member States to establish those standard rates. The same costing principles outlined in the wet and dry lease system should apply to the dollar-rate reimbursement system, with the exception that rates should be computed on a per capita basis according to the contingent's deployed troop strength.

Goods and services normally provided by the United Nations

29. It is recognized that in addition to self-sustainment requirements for contributing countries, the United Nations has a responsibility for providing a range of personnel and logistics goods and services, which, should a Member State be obliged to provide them, would be reimbursed to the contributing country by letter of assist with the prior agreement of the United Nations. This range includes:

(a) Food/water;

(b) Living accommodation (fixed structures);

(c) Messing;

(d) Medical and dental facilities;

(e) Cleaning and sanitation;

(f) Facilities maintenance;

(g) Storage of equipment, ammunition and other supplies;

(h) Petroleum, oils and lubricants;

(i) Laundry services;

(j) Rest and recreation services;

(k) International postal services;

(l) Maps and charts.

Loss or damage of equipment

30. The Working Group recommended that major equipment loss, damage or abandonment arising from an unforeseen event be reimbursed as an extraordinary cost in accordance with existing United Nations systems and not included in either the wet/dry lease or dollar-rate reimbursement systems. This would include major equipment, large quantities of minor equipment or consumables at or above a threshold value, to be agreed in phase III, destroyed or damaged as a

result of hostile action or abandoned at the direction of the Force Commander owing to operational exigencies (e.g., emergency evacuations to protect the Force). This system would not reimburse Member States for loss or damage arising from gross or wilful negligence. Losses attributable to fair wear and tear, or write-offs due to obsolescence, are covered under the wet/dry lease system.

31. With respect to the loss or damage of equipment or consumables, the United Nations will assume responsibility for reimbursement from the time the equipment or consumables arrive in the mission area.

32. The Working Group recommends that the Phase III Working Group consider reviewing current procedures for claiming reimbursement for lost or damaged equipment with a view to simplifying current procedures.

Transportation

33. The Working Group agreed that the United Nations will provide transportation on a contractual basis or reimburse contributing countries through letter-of-assist procedures for transporting contingent-owned equipment (including all major and minor equipment and consumables authorized for deployment by the United Nations) from a port of embarkation in the Member State's territory to the mission area and back to the Member State in accordance with current practice.

34. In those cases where the United Nations arranges transport, the Working Group recommended that the Secretariat strive to improve the performance of transportation contractors.

35. The Working Group agreed that liability for shipment loss or damage will be assumed by the United Nations for all shipments it arranges. Liability for shipment loss or damage during shipment/transportation until arrival in the mission area will be assumed by the contributing country in those cases where transportation is arranged under a letter of assist.

Ammunition

36. The Working Group proposed the following reimbursement policy for operational ammunition stocks deployed with troop contingents:

(a) The contributing country will be reimbursed for transporting ammunition to and from the mission area;

(b) Should operational stocks (items requested by the United Nations or mutually agreed upon between the United Nations and the contributing country) deteriorate to such an extent that they are no longer usable (as verified by United Nations-appointed ammunition technicians), the United Nations will reimburse the contributing country for such ammunition. The Working Group noted that it is the Member State's responsibility to deploy ammunition with an expected useful life in excess of the anticipated length of deployment;

(c) Contributing countries will be reimbursed for ammunition actually expended in accomplishing the peace-keeping mission. Quantities expended in operations would be recorded in commanders' reports at the conclusion of individual operations and contributing countries would claim reimbursement on a monthly basis for the initial purchase price of the ammunition;

(d) While training ammunition is a national responsibility, the Working Group noted that there are occasions when operational requirements dictate special training in the mission area that consumes ammunition. When the Force Commander authorizes and directs special training beyond accepted United Nations readiness standards, ammunition expended for such training will be considered an operational expenditure and be reimbursable on that basis.

Verification issues

37. The Working Group agreed that the reimbursement process requires a reduced and simplified procedure with emphasis on increased national accountability within the framework of an agreement for the commitment of troops and equipment. The United Nations, representing the interests of the assessed countries for cost-effectiveness and prudence, requires a procedure to verify that both the United Nations and the troop-contributing countries have met their obligations and that procedures are in place to manage exceptional circumstances.

38. The Working Group requested the Secretariat to establish, for consideration by Member States in phase III of this study, procedures for such verification and control according to the following principles:

(a) The bilateral agreement between the United Nations and the troop-contributing country will form the basis of the level of equipment and material support provided by the troop-contributing country;

(b) Verification of equipment provided under a dry lease will be conducted by the United Nations in a manner consistent with the terms and conditions of the leasing arrangement. This will include registration of serial numbers, as appropriate;

(c) Reimbursement on a wet/dry lease basis will be limited to the quantity agreed to or that actually delivered to the mission area, whichever is less;

(d) Verification of major equipment should take place either in the leasing country prior to deployment, upon agreement between the United Nations and the troop-contributing country or within 15 days of arrival in the mission area. In addition, the United Nations reserves the right, at any time, to inspect the equipment brought into the mission area in order to verify that it meets the commitments of the countries as to quantity, capability and readiness, and that its use is consistent with the aims of the mission;

(e) Readiness standards will be those established for the mission area by the United Nations. Those standards should be the same under both wet and dry lease systems. Where a country is being reimbursed on a wet lease basis, failure to maintain the equipment at that level of readiness shall result in a

reduced rate of reimbursement, and, if sustained, renegotiation of the bilateral agreement will be required;

(f) The United Nations Force Commander, in conjunction with the mission administration, will conduct periodic inspections and assessments in the mission area to verify the degree of self-sufficiency and appropriate use of minor equipment and consumables for which the country is seeking dollar-rate reimbursement on the basis of troop strength. Failure to provide the agreed level of self-sufficiency shall result in a reduced rate of reimbursement, and, if sustained, renegotiation of the bilateral agreement will be required;

(g) Provision will be made to allow either of the leasing parties to initiate a review of the major equipment provided to ensure that it is compatible with the requirements of the mission and of the contingent, so that adjustments can be made to cater for changing circumstances;

(h) A dispute resolution procedure will be established.

39. In developing verification and control procedures, the Secretariat will need to consider:

(a) The impact on United Nations management structures within a mission area;

(b) The possibility of dividing the verification and control systems into four phases:

(i) Phase 1 - Preparation

- Verification of the quantity and quality of equipment to be shipped;
- Verification of capability, including self-sustainability, in the various functional areas which attract a standard rate of reimbursement;
- Negotiation of reimbursement rates for specialist equipment;

(ii) Phase 2 - Deployment

- Verification of the presence of major equipment in the mission area;

(iii) Phase 3 - In mission

- Verification of readiness, operational performance and level of sustainability;
- Review of reimbursement rates biannually;

(iv) Phase 4 - Major redeployment or recovery to the home country

- Verification that shipment of major equipment has occurred;

(c) The need to develop a United Nations electronic data-processing system to register the verification and control aspects, which will be made available to all troop-contributing countries;

(d) The need for a computerized financial control system to provide the troop-contributing countries with the status of reimbursement for contingent-owned equipment on a regular basis;

(e) The need for arrangements with independent professional consultants on verification and control on behalf of the United Nations.

Letters of assist

40. The Working Group envisages that letters of assist will have a reduced role in the future reimbursement system. Under the current system, letters of assist are used for maintenance, spare parts, and other areas that will be covered by the wet/dry lease and self-sustainment systems. As a consequence, letters of assist must be clearly defined to cover the bilateral arrangements between the United Nations and the troop-contributing countries that are not provided for in the wet/dry lease system, self-sustainment, or General Assembly-approved rates for troops, for example, sale of equipment.

Model services agreement

41. The Working Group agreed that the negotiation of a bilateral agreement between the United Nations and the troop-contributing country was an essential element in the reform of the procedures relating to contingent-owned equipment. Such an agreement should stipulate the responsibilities of the respective parties and include the concepts agreed upon in the present report.

42. The Working Group considered the comments and conclusions of Canada arising from its experience in applying the model agreement annexed to the report of the Secretary-General dated 23 May 1991 (A/46/185) to its trial in the United Nations Mission in Haiti (UNMIH). In addition to matters of detail, Canada pointed out that considerable difficulty had been encountered in addressing issues such as command and control and other sensitive legal areas. It was agreed that the inclusion of such matters in an agreement would lead to complex and lengthy negotiations which would delay implementation of the matters before the Working Group.

43. The Working Group agreed that the model agreement should be limited to administrative, logistic and financial matters. The Secretariat was requested, in consultation with Member States, to develop a revised model services agreement limited to this scope, incorporating the matter regarding the management of contingent-owned equipment contained in the present report, for discussion during phase III and for subsequent consideration by the appropriate committees. Items for inclusion in the draft would include:

(a) Definitions;

(b) Establishment of the force;

(c) Purpose and scope of the agreement;

(d) Period during which the agreement will be effective;

(e) Contribution of equipment and troops by the country;

(f) Fundamental responsibilities of each party;

(g) Administrative and logistics arrangements;

(h) Financial arrangements, including the form of leasing and agreed standard rates of reimbursement and delegation of authority, if applicable;

(i) Verification and internal control issues;

(j) Liability of the parties in the event fundamental responsibilities are not met;

(k) Consultation;

(l) Dispute resolution;

(m) Arrangements for supplemental agreements and amendments.

IV. RECOMMENDATIONS OF THE WORKING GROUP

44. The Working Group, having considered various proposals and options for reform of the methodology and procedures for determining reimbursement for contingent-owned equipment, bearing in mind the general guidelines and principles for reimbursement reform set out in annex I to the present report, recommends the following.

Equipment classification

45. Contingent-owned equipment should be categorized as major equipment or minor equipment and consumables, according to the definitions in annex II and the table in annex III. Troop-contributing countries will be required to account only for major equipment. Major equipment will be specifically identified in the agreement between the contributing country and the United Nations.

Wet and dry lease system

46. Reimbursement for contingent-owned equipment should be changed from the current depreciation-based system to a wet and dry lease system as discussed in section III above and summarized as follows:

(a) Reimbursement should be limited to those items of major equipment (including associated minor equipment and consumables) specifically agreed to by the United Nations. Additional items deployed by contingents would not be reimbursed unless authorized through additional negotiations between the United Nations and the troop-contributing country or as covered under extraordinary charges in the agreement between the United Nations and the contributing country prior to deployment of the equipment;

(b) The major dry lease cost component is the equipment use charge, defined in annex II;

(c) The wet lease comprises the dry lease components plus the additional components defined in paragraph 20 above;

(d) The lease system should be flexible enough to support varying logistics support conditions in the mission area. When the United Nations provides a component of support under the wet lease system, the contributing country is not entitled to reimbursement for that specific component;

(e) Actual rates should be determined in phase III using the components defined in annex II and the established rates developed in consultation with Member States;

(f) A generic factor should be developed, when needed, which will apply to missions where the intensity of operations and/or the environment results in changes to average consumption and use.

Responsibilities for loss or damage of equipment

47. With regard to loss or damage of equipment:

(a) The United Nations should reimburse contributing countries for loss or damage of major equipment due to unforeseen events as defined in annex II;

(b) Reimbursement parameters should be developed to compensate contributing countries for loss or damage of minor equipment or consumables arising from unforeseen events and be included in the costing mechanism under the wet and dry lease and dollar-rate reimbursement systems.

Ammunition

48. With regard to ammunition:

(a) The United Nations should reimburse contributing countries for deploying operational stocks of ammunition into and out of the mission area. Reimbursement is to account for ammunition that becomes unserviceable while in the mission area. Such reimbursement would be based on prior agreement with the United Nations;

(b) Operational ammunition expenditures should be reimbursable;

(c) Training ammunition should be a national responsibility unless the Force Commander specifically requires ammunition expenditures for operational training beyond accepted United Nations readiness standards;

(d) Member States should be responsible for deploying ammunition with an expected life in excess of the anticipated length of deployment.

Third party equipment provisioning

49. If equipment has been provided by a country that is not the using country, the general concepts of the wet/dry lease continue to apply and the United Nations will be responsible for the equipment until its return to the providing country. However, reimbursement for the contingent-owned equipment would be arranged by a trilateral or bilateral agreement between the United Nations and the using country and/or the providing country.

Transportation

50. Liability for shipment loss or damage should be assumed by the party arranging the shipment.

Verification and control of contingent-owned equipment

51. As regards verification and control of contingent-owned equipment:

(a) Performance-based standards should be developed and applied to contingents in peace-keeping missions to ensure that adequate minor equipment and consumables are deployed with the contingent. When the contingent fails to meet these standards, reimbursements for self-sufficiency would be reduced accordingly;

(b) The principles outlined in paragraph 38 above should be used by the Phase III Working Group when developing these standards.

Self-sustainment under a troop strength dollar-rate reimbursement system

52. Minor equipment, services and consumables not reimbursed in association with major equipment under a wet/dry lease should be reimbursed on a per capita monthly dollar rate based on the number of troops in a country's contingent deployed in self-sufficient units. Minor equipment and consumables reimbursed on a dollar-rate basis should be modular, according to the ability of the United Nations to provide support and the contributing country's degree of self-sufficiency with respect to minor equipment and consumables. Cost computations will be on the same basis as the wet and dry lease system to ensure consistency.

Letters of assist

53. The Working Group recommends that the Secretariat clarify and refine the future use of letters of assist as a consequence of the new wet/dry lease system.

Model services agreement

54. The Secretariat should develop a model services agreement which will serve as the bilateral arrangement between a troop-contributing country and the United Nations for administration, logistics and financial matters. Pending finalization of an updated model services agreement, the Secretariat should be encouraged to use the note verbale as a basis for troop-contributing countries providing contingent-owned equipment.

Implementation date

55. The proposed methodology and process should be submitted to the General Assembly as soon as possible with a recommendation for implementation on 1 January 1996, in accordance with Assembly resolution 49/233 A, for existing and all future missions. For existing missions, the Working Group recommends that troop-contributing countries have the option to accept reimbursement under either the new or the old reimbursement methodology.

V. ITEMS REQUIRING ACTION IN PHASE III

56. The Working Group recommends that the United Nations Secretariat, in consultation with Member States, undertake to resolve the issues set out below during phase III of the contingent-owned equipment project.

Contingent-owned equipment reimbursement rates

57. Standard reimbursement rates should be developed for generic categories of equipment as outlined in annex III. These standard rates should be developed in accordance with the general principles agreed upon by the Working Group, and include:

(a) Equipment use rates recognizing life-cycle costs and other costs that might be included in a standard rate calculation, such as acquisition or lease financing costs;

(b) Cost factors to account for minor equipment linked to major equipment under the wet and dry lease system;

(c) Cost factors for minor equipment and consumables under the dollar-rate reimbursement system;

(d) A standard factor to account for the effect of environmental and operational conditions;

(e) Estimation of the useful life of equipment as developed by the United Nations Secretariat in consultation with Member States;

and exclude special cases as set out in paragraph 24 above. The Phase III Working Group should attempt to standardize the special case cost/rate calculation methodology wherever possible.

Loss or damage of equipment

58. The Secretariat, in consultation with Member States, should review current procedures, establish a threshold value, and determine reimbursement values for claims associated with the loss or damage of equipment or consumables with a view to simplifying current procedures.

Transportation

59. The Secretariat, in consultation with Member States, should review the current policy on transportation reimbursement to consider including costs of inland transportation to and from the Member State's port of embarkation.

Verification and control of contingent-owned equipment

60. The Secretariat, in consultation with Member States, should consider the internal control and audit implications of moving to the wet and dry lease and dollar-rate reimbursement systems for contingent-owned equipment. Procedures and performance-based standards for contingents in peace-keeping missions must be developed to ensure that adequate levels of self-sufficiency are maintained and that equipment is properly controlled.

Model services agreement

61. The Secretariat, in consultation with Member States, should prepare a revision to the 1991 Model Services Agreement limited to administrative, logistics and financial matters, incorporating the recommendations set out in the present report where applicable.

Annex I

GENERAL GUIDELINES AND PRINCIPLES FOR REIMBURSEMENT REFORM

In addressing the mandate established by the General Assembly in its resolution 49/233 A of 23 December 1994, which called for the simplification of the process of reimbursement for contingent-owned equipment with a view to introducing standard requirements, the development of a single flat rate of reimbursement and for the submission of a report to the General Assembly, the Working Group agreed on the following general principles and guidelines for reform:

1. Simplicity. Any reform should make the reimbursement process simpler and easier to administer than the current system. Reform proposals should reduce the time and resources (personnel, equipment and facilities) required for Member States to claim, and the United Nations to reimburse, for contingent-owned equipment. Proposals should reduce administrative burdens on troop-contributing countries, the Secretariat and peace-keeping missions.

2. Equity. The reimbursement process should be fair and equitable both to the United Nations and troop-contributing countries.

3. Transparency. The process of computing reimbursement must be transparent both to the United Nations and to the troop-contributing countries. Specific rules must be articulated for developing reimbursement rates and a mechanism provided to adjust rates on a periodic basis.

4. Comprehensiveness. The reimbursement process must be broadly applicable across the full range of troop-contributing countries and peace-keeping missions.

5. Flexibility. The reimbursement process must be flexible enough to account for a wide range of variables, including differences among troop-contributing countries in terms of equipping units, types of peace-keeping mission, peace-keeping mission environments, equipment provisioning systems and logistics support concepts.

6. Portability. Member States must be able to use the same accounting and certification procedures regardless of the peace-keeping mission where their troops are deployed.

7. Logistics support. Reform proposals should support the provision of high quality, cost-effective logistics support for deployed equipment and units. To the extent possible, the reimbursement system should facilitate cost comparisons among various modalities of providing logistics support.

8. Financial control and audit. To maintain credibility, the system must support appropriate financial control and audit procedures. Member States must be assured that the United Nations is receiving value for peace-keeping fund expenditures.

9. These guidelines and principles are not necessarily complementary. For example, simplicity and flexibility are inherently incompatible. The ultimate goal should be to develop a system that maximizes achieving all the goals, recognizing that there must be compromises among competing goals.

Annex II

DEFINITIONS

The Working Group agreed on the following definitions to guide its deliberations. Terms used in the body of the report are defined as follows:

1. Abandonment. The deliberate forfeiture of equipment or consumables within a mission area.

2. Consumables. Consumables include combat supplies, general and technical stores, defence stores, ammunition and other basic commodities. Specific accounting of consumables would not be required as they would not be recorded by the United Nations as part of the in-survey. Average rates of consumption and use, as related to major equipment or personnel and as agreed by the United Nations and the troop-contributing countries, will be used for mission budgeting, expenditure control and reimbursement. Consumables are supplies of a general nature, consumed on a routine basis, and are divided into three categories according to their end use:

(a) Major equipment-related: consumables used to support major equipment;

(b) Minor equipment-related: consumables used to support minor equipment;

(c) Personnel-related: consumables used to support personnel.

3. Contingent-owned equipment. Major and minor equipment and consumables owned or leased, and operated by a troop-contributing country's contingent in the performance of peace-keeping operations.

4. Dry lease. A contingent-owned equipment reimbursement system where the troop-contributing country provides equipment to a peace-keeping mission and the United Nations assumes responsibility for maintaining the equipment. Under the dry lease, costs associated with categories of deployed minor equipment would be reimbursable. Dry lease equipment may be operated either by the equipment-owning country or another country. The contractual relationship will be between the United Nations and the equipment-owning country and/or the United Nations and the equipment-operating country.

5. Equipment use charge. A monthly equipment reimbursement rate used with the wet/dry lease system which is the generic fair market value divided by the equipment's expected useful life expressed in months plus a factor for attrition for wear and tear; or the replacement value divided by the equipment's expected useful life expressed in months, whichever is less.

6. Generic fair market value. An equipment valuation for reimbursement purposes. It will be computed as the initial purchase price plus any major capital improvements, adjusted for inflation and discounted for any prior usage; or the replacement value, whichever is less. The generic fair market value will include all issue items associated with the equipment in the performance of its operational role.

7. Major equipment. Major end items directly related to the unit mission as agreed by the United Nations and the troop-contributing countries. Major equipment includes ground vehicles and trailers, aircraft, naval vessels and specifically identified "stand-alone" specialist equipment according to the categorization in annex III. Items in the major equipment category are accounted for on an individual basis to facilitate mission budgeting, expenditure control and cost reimbursement. Separate reimbursement rates apply for each category or item of major equipment.

8. Minor equipment. Minor equipment used for catering, accommodation, non-specialist communications and engineering, and other mission-related activities. Specific accounting of minor equipment would not be required as it would not be recorded by the United Nations as part of the in-survey. Average rates of consumption and use, as related to major equipment or personnel, and as agreed by the United Nations and the troop-contributing country, will be used for mission budgeting, expenditure control and reimbursement. Minor equipment is divided into two categories, as set out in annex III:

(a) Equipment-related: end items designed to support major equipment;

(b) Personnel-related: end items which directly or indirectly support personnel.

9. Modular. A concept applied to the wet/dry lease and dollar-rate reimbursement systems whereby the components of the reimbursement rate are separately identifiable and may be included in the overall lease or reimbursement rate on the basis of the logistical support situation in a mission area.

10. Operational ammunition. Ammunition (including aircraft self-defence systems such as chaff or infra-red flares and personnel or equipment-related ammunition) that the United Nations and the troop-contributing country agree to deploy to the mission area so that it is readily available for use in the event of need. Ammunition expended for training at the direction of the Force Commander, in anticipation of an operational requirement, will be considered operational ammunition.

11. Replacement value. The current cost of replacing a damaged or destroyed piece of major or minor equipment with equivalent equipment.

12. Self-sufficiency. A logistics support concept for troop contingents in a peace-keeping mission area whereby the contributing country provides some or all logistics support to the contingent on a reimbursable basis.

13. Self-sufficient unit. A formed unit, participating in a peace-keeping mission, that is able to provide its own logistics support. A unit may be self-sufficient in varying degrees, according to the ability of the United Nations to provide the necessary support and the unit's own capabilities.

14. Threshold value. A dollar value to be applied to conditions of loss or damage to equipment or consumables that could result in reimbursement to a

troop-contributing country. The exact value should be determined by the Phase III Working Group.

15. Unforeseen event. Any event beyond the control and responsibility of the contingent commander and normally attributable to the operational situation. Unforeseen events may be divided into three categories and will require investigation by a board of inquiry convened by the peace-keeping mission Force Commander. The three categories are:

(a) Loss or damage related to hostile actions;

(b) Abandonment of equipment because of the operational situation;

(c) Loss or damage to major equipment with a monetary value greater than a threshold amount to be determined in phase III;

They do not include:

(d) Accidents, and losses and thefts of equipment with a value less than the threshold amount to be determined in Phase III;

(e) Losses due to fair wear and tear;

(f) Write-offs due to obsolescence.

16. Wet lease. A contingent-owned equipment reimbursement system where the troop-contributing country assumes responsibility for maintaining and supporting deployed major and minor items of equipment. The troop-contributing country would be entitled to reimbursement for providing this support.

Annex III

GENERAL CLASSIFICATION OF MAJOR EQUIPMENT, MINOR EQUIPMENT AND CONSUMABLES

1. Description. The table below contains the generic grouping of equipment commonly used in United Nations peace-keeping operations. It was developed on the basis of the United Nations Standard Cost Manual and equipment lists submitted by Working Group delegations. All like major and minor equipment and consumables were grouped under a common category name.

2. The series correspond roughly to the United Nations property index used for in-surveys. Each series, where applicable, is sub-divided into categories, with each category containing the generic groups.

3. Each generic group was assigned a classification of major equipment, minor equipment or consumable based on the definitions set out in annex II. Consideration was given to how the item would be accounted for and to its relationship to other items.

4. Legend. For items identified as minor equipment or consumables, the representatives determined the cost base for which that item would be reimbursed. The two options used were self-sufficiency cost based (S) and equipment cost based (E). The former option ties items to reimbursement on the basis of a monetary amount per person per month or a flat rate per person per month. The latter option is based on a monetary amount per equipment per month.

5. Special cases. Several items are identified as special cases. It was agreed by the Working Group that, owing to the uniqueness of the item or its high value, it would not be possible to set a standard rate because of the lack of a generic group that would be applicable to a wide variety of contributing countries. In these identified cases, the contributing country would be called upon to establish a cost base using its own cost data and submit the applicable rate to the United Nations for consideration in a leasing agreement.

6. Assumptions. For the purposes of this table, it is assumed that major equipment listed in series B (Communications) and series F (Medical and dental) apply to force level units and not subunits integral to a contingent. The same items at the unit level would be considered as minor equipment and incorporated into the overall self-sufficiency cost base.

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
A	CATERING				
	Portable kitchen		S		
	Dishwashers		S		
	Field cookers		S		
	Food containers		S		
	Freezers		S		
	Kitchen equipment		S		
	Refrigerator		S		
	Rations			S	When United Nations unable to provide
	Cooking gas cylinders			S	
	Tableware			S	
	Other equipment, instruments and tools		S		
	Consumables			S	
B	COMMUNICATIONS				
1	VHF/UHF - FM TRANSCEIVERS				
	Air-ground base station transceivers AM/FM	X			
	Air-ground handheld transceivers AM/FM		S		
	Base repeater antenna		S		
	Base station - VHF, high power radio		S		
	Handie talkie - secure		S		
	Handie talkie - general		S		

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Manpacks, VHF Radio		S		
	Manpacks, UHF Radio		S		
	Microwave links	X			
	Mobile stations for trunking systems	X			
	Paging Equipment	X			
	Portable MTSX for trunking	X			
	Radio, Remote Equipment		S		
	Repeaters	X			
	VHF Alarm units	X			
	VHF Multiplex Channels	X			
	Other equipment, instruments and tools		S		
	Consumables			S	
2	HF EQUIPMENT				
	Antennas, Delta Loops - Broadband		S		
	Antennas, trapped dipoles		S		
	Antennas, vertical whips		S		
	Antennas. Log periodic - directional high power	X			
	Base receiver, HF High Power	X			
	Base station transmitter , HF High Power	X			
	Manpacks, HF Radio		S		
	Phone patch interlink	X			

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Other equipment, instruments and tools		S		
	Consumables			S	
3	SATELLITE EQUIPMENT				
	Earth Station - non-redundant	X			
	Earth Station - redundant	X			
	Earth Station Hub	X			
	Earth Station Sub-Hub	X			
	Global Positioning System (GPS)		S		
	INMARSAT TYPE A - Portable Earth Station	X			
	INMARSAT TYPE M - Portable Earth Station	X			
	INMARSAT TYPE C - Portable Earth Station	X			
	Satellite receivers / TVRO	X			
	UPS satellite station	X			
	VSAT Earth Station, Global TX/RX	X			
	Other equipment, instruments and tools		S		
	Consumables			S	
4	TELEPHONE EQUIPMENT				
	Multiplexer		S		
	Rural links		S		
	Rural repeater		S		
	Switchboard		S		

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Telephone		S		
	Telephone exchange large, 1 - 1100 lines	X			
	Telephone exchange PABX 1-100 lines	X			
	Telephone exchange mini up to 8 lines		S		
	Telephone exchange PABX up to 50 lines		S		
	Telephone exchange up to 24 lines		S		
	Cryptofax/ciphering equipment	X			
	FAX machine		S		
	Teletype/teleprinter		S		
	Secured voice transmitter		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
5	AIRFIELD SUPPORT EQUIPMENT				
	RADAR	X			may be a special case
	Approach systems/lighting	X			may be a special case
	Control Tower	X			may be a special case
	Navigation systems	X			may be a special case
	Other equipment, instruments and tools		S		
	Consumables			S	
6	MISCELLANEOUS				

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Underwater communication systems	X			may be a special case
	AC battery chargers		S		
	Antenna towers	X			
	Fibre optics	X			
	Public Address Systems		S		
	Radio broadcast systems	X			
	Radio reporting packs	X			
	Shelter equipment		S		
	Solar battery chargers		S		
	Solar panels (ancillary power)		S		
	UPS 10KVA and up	X			
	UPS under 10KVA		S		
	Workshop & Test equipment		S		
	Analyzer, spectrum		S		
	Oscilloscope		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
C	ELECTRICAL				

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General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
1	GENERATORS - STATIONARY AND MOBILE				Note: When generators are provided in parallel, the output is summed to determine the item category, ie. 2 x 100 KVA generators in parallel would be considered as one 200 KVA generator.
	less than 20KVA		S		
	20KVA to 30KVA	X			
	30KVA to 40KVA	X			
	40KVA to 50KVA	X			
	50KVA to 75KVA	X			
	75KVA to 100KVA	X			
	100KVA to 150KVA	X			
	150KVA to 200KVA	X			
	200KVA to 500KVA	X			
	500KVA to 1000KVA	X			
	greater than 1000KVA	X			
	Other equipment, instruments and tools		E		
	Consumables			S	
2	OTHER EQUIPMENT				
	Lighting units		S		
	Solar panels		S		
	Solar battery chargers		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
D	ENGINEERING				

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
1	MAJOR EQUIPMENT				
	Assault boat & motor (Zodiac type)	X			
	Bridging Sets (Bailey or equivalent)	X			
	Drilling Rigs	X			
	M2 Rigs for rafting	X			
	Quarry Equipment, complete	X			
	Recce Boats	X			
	Sewage treatment plant and equipment	X			
	Tug boat/Bridging Boat	X			
	Water treatment plant, equipment, tanks and bladders	X			
	Pontoons/Pontoon Bridge (interior/ramp section)	X			
	Ferry Boats (River crossing)	X			
	Scissor/cantilever type bridge (up to 20m)	X			
	Non vehicle road construction equipment	X			
	Other equipment, instruments and tools		S		
	Consumables			S	
2	MINOR EQUIPMENT				
	NBC detector and alarm systems				
	Air compressors		S		
	Pneumatic hammers.driils and other tools		S		

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Fire extinguishers - all types		S		
	Fogging machines		S		
	Fuel/water pumps		S		
	Heaters		S		
	Movement sensors		S		
	Oil burners		S		
	Industrial gas cylinders			S	
	Protective equipment		S		
	Repair kits		S		
	Scuba diving set (one per diver)		S		
	Scuba compressor		S		
	Security lights		S		
	Workshop machinery		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
3	LOGISTICS EQUIPMENT				
	Fuel systems, pumps, pipelines, tanks, bladders	X			
	Water bladders		E		
	Other equipment, instruments and tools		S		
	Consumables			S	
4	DEMINING EQUIPMENT				
	Mine detectors		S		

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Bomb Disposal equipment (General Purpose)		S		
	De-mining Supplies			S	
	Remote controlled bomb disposal equipment	X			may be a special case
	Mine clearance equipment		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
E	GENERAL STORES				
1	OFFICE FURNITURE				
	Bookcases			S	
	Chairs - all types			S	
	Desks - all types			S	
	Filing cabinets			S	
	Office tables			S	
	Safes		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
2	OFFICE EQUIPMENT				
	Air conditioners		S		
	Bar code readers		S		
	Calculator		S		
	Cash registers		S		
	Computers - desktop		S		

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Computers - laptop		S		
	Photocopier		S		
	Dictation machines		S		
	Laminating machine		S		
	Printer, Laser jet		S		
	Printer, Dot-matrix		S		
	Printing press		S		
	Projector, overhead		S		
	Projector, slides		S		
	Scanners		S		
	Shredder		S		
	Software			S	
	Typewriters		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
3	FIELD DEFENCE STORES				
	Barbed wire			S	
	Barriers			S	
	Concertina wire			S	
	Hedgehog and obstacles			S	
	Iron sheets, corrugated			S	
	Lights, security		S		
	Pickets, iron			S	
	Protective equipment			S	

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Sandbags			S	
	Sensors		S		
	Watch tower		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
4	CLEANING EQUIPMENT				
	Dry-cleaning equipment		S		
	Dryers		S		
	Heavy duty steam press		S		
	Irons - industrial		S		
	Laundry trolleys		S		
	Marking machines		S		
	Vacuum cleaners		S		
	Washing machines		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
5	MISCELLANEOUS GENERAL STORES				
	Bedding			S	
	Bedroom furniture			S	
	Flags		S		
	Fragmentation jackets		S		
	Helmets		S		
	Lounge furniture			S	

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Personal Hygiene supplies			S	
	Other equipment, instruments and tools		S		
	Consumables			S	
F	MEDICAL AND DENTAL				
1	EQUIPMENT				
	Dental unit	X			
	Dispensary set	X			
	Field Hospital & Equipment	X			
	Laboratory equipment	X			
	Oxygen equipment	X			
	Sterilizing	X			
	Surgical theatre and unit	X			
	X-Ray machine	X			
	Refrigeration, blood products	X			
2	SUPPLIES				
	Medical supplies			S	
	Pharmaceuticals			S	
	Blood products			S	
	Dental supplies			S	
	Other equipment, instruments and tools		S		
	Consumables			S	
G	OBSERVATION EQUIPMENT				
1	AREA EQUIPMENT				

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Artillery Locating Equipment	X			
	Ground surveillance radar/system	X			
	Thermal imaging systems - Aerial version	X			
	Thermal imaging systems - Ground version	X			
	Other equipment, instruments and tools		S		
	Consumables			S	
2	PERSONAL EQUIPMENT				
	Laser Range Finder		S		
	Night Observation Devices				
	Handheld		S		
	Tripod Mounted	X			
	Goggles		S		
	Binoculars				
	Handheld		S		
	Tripod Mounted	X			
	Searchlight, handheld, large		S		
	Searchlight, handheld, small		S		
	Flood light		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
3	IDENTIFICATION EQUIPMENT				
	Video camera		S		

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Video editing set		S		
	Cameras		S		
	Laminators		S		
	Photo die cutters		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
H	ACCOMMODATION				
1	TENTAGE				
	Tent (Personnel		S		
	Tent (General Purpose)		S		
	Other equipment, instruments and tools		S		
	Consumables			S	
2	SEMI RIGID AND RIGID STRUCTURES				
	Camp unit small (5 man)	X			
	Camp unit, medium (50 man)	X			
	Camp unit, large (150 man)	X			
	Kitchen/Messing facilities (150 - 200 man)	X			
	Maintenance workshop	X			
	Office, communications and command posts	X			
	Troop accommodation - all types	X			
	Warehousing and storage	X			
	Ablution facilities	X			

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Other equipment, instruments and tools		S		
	Consumables			S	
3	CONTAINERS				
	Medical	X			may be a special case
	Dental	X			may be a special case
	Workshop	X			may be a special case
	Refrigeration/Freezer/Food storagen	X			may be a special case
	Laundry and bath	X			may be a special case
	Insulated storage	X			may be a special case
	Ammunition storage	X			may be a special case
	Other	X			may be a special case
	Other equipment, instruments and tools		S		
	Consumables			S	
1	GROUND TRANSPORTATION				
1	COMBAT VEHICLES				
	Tanks	X			handled on a special case basis
	Tanks, launch bridge	X			handled on a special case basis
	Tanks, mine clearing	X			handled on a special case basis
	Tanks, recovery	X			handled on a special case basis
	Tanks, engineer vehicle	X			handled on a special case basis

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Armoured Infantry Fighting/Airborne/Special Vehicle (eg. TAM, Bradley)	X			handled on a special case basis
	Armoured Personnel Carriers - tracked				
	Infantry Carrier - unarmed	X			
	Infantry carrier - armed	X			
	Missile equipped	X			may be a special case
	Mortar	X			may be a special case
	Recovery	X			
	Air-Defence	X			may be a special case
	Command post/ALO/FAC/Artillery	X			may be a special case
	RADAR	X			may be a special case
	Ambulance/rescue	X			
	Cargo/water	X			
	Armoured Personnel Carriers - wheeled				
	Infantry Carrier - unarmed	X			
	Infantry carrier - armed	X			
	Missile equipped	X			may be a special case
	Mortar	X			may be a special case
	Recovery	X			
	Air-Defence	X			may be a special case
	Command post/ALO/FAC/Artillery	X			may be a special case
	RADAR	X			may be a special case

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Ambulance/rescue	X			
	Cargo/water	X			
	Carrier - Oversnow				
	Infantry Carrier - unarmed	X			
	Infantry carrier - armed	X			
	General purpose (snowcat)	X			
	Missile equipped	X			may be a special case
	Mortar	X			may be a special case
	Recovery	X			
	Air-Defence	X			may be a special case
	Command post/ALO/FAC/Artillery	X			may be a special case
	RADAR	X			may be a special case
	Ambulance/rescue	X			
	Cargo/water	X			
	Reconnaissance vehicle - tracked	X			may be a special case
	Reconnaissance vehicle - wheeled up to 25mm	X			may be a special case
	Reconnaissance vehicle - wheeled over 25mm	X			may be a special case
	Other equipment, instruments and tools		S		
	Consumables			S	
	Petrol, oil and lubricants			E	
2	SUPPORT VEHICLES (COMMERCIAL PATTERN)				
	All-terrain vehicle	X			

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Ambulance - Truck	X			
	Ambulance - Armoured/Rescue	X			
	Ambulance (4x4)	X			
	Automobile, Sedan	X			
	Automobile, Station Wagon	X			
	Automobile armoured	X			
	Buses - large	X			
	Buses, large, air conditioned	X			
	Buses (12 PAX max)	X			
	Buses (13-24 PAX)	X			
	Snow mobile	X			
	Truck, kitchen and messes	X			Truck costs only. Catering cost at Serial A
	Motorcycles	X			
	Truck utility light	X			
	Truck utility medium	X			
	Truck utility heavy	X			
	Truck cargo light	X			
	Truck cargo medium	X			
	Truck cargo heavy	X			
	Truck maintenance light	X			
	Truck maintenance medium	X			
	Truck maintenance heavy	X			
	Truck water	X			

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Truck, carryall	X			
	Truck, crane heavy lift, up to 25 tons	X			
	Truck, crane, up to 10 tons	X			
	Truck, dump, up to 10 cu meters	X			
	Truck, recovery , 5 tons	X			
	Truck, recovery , greater than 5 tons	X			
	Truck, refrigerator	X			
	Truck, tanker (up to 10,000 litres)	X			
	Truck, tanker (over 10,000 litres)	X			
	Truck, tractor	X			
	Other equipment, instruments and tools		S		
	Consumables			S	
	Petrol, oil and lubricants			E	
3	SUPPORT VEHICLES (MILITARY PATTERN)				
	All terrain vehicles	X			
	Truck, kitchen and messes	X			Truck costs only. Catering cost at Serial A
	Motorcycles	X			
	Truck utility light/Jeep	X			
	Truck utility medium	X			
	Truck utility heavy	X			

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Truck cargo light	X			
	Truck cargo medium	X			
	Truck cargo heavy	X			
	Truck maintenance light	X			
	Truck maintenance medium	X			
	Truck maintenance heavy	X			
	Truck water	X			
	Truck, carryall	X			
	Truck, crane heavy lift, up to 25 tons	X			
	Truck, crane, up to 10 tons	X			
	Truck, dump, up to 10 cu meters	X			
	Truck, recovery , 5 tons	X			
	Truck, recovery , greater than 5 tons	X			
	Truck, refrigerator	X			
	Truck, tanker (up to 10,000 litres)	X			
	Truck, tanker (over 10,000 litres)	X			
	Truck, tractor	X			
	Other equipment, instruments and tools		S		
	Consumables			S	
	Petrol, oil and lubricants			E	
4	COMMUNICATIONS VEHICLES				
	Truck, communications light	X			

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Truck communications medium	X			
	Truck communications heavy	X			
	Tracked, communications suite	X			
	Trailer communications suite	X			
	Mobile Trunking System	X			
	Command Post, Wheeled	X			
	Command Post, Tracked	X			
	Other equipment, instruments and tools		S		
	Consumables			S	
	Petrol, oil and lubricants			E	
5	ENGINEERING VEHICLES				
	Backhoe light	X			
	Backhoe medium	X			
	Backhoe heavy	X			
	Bulldozed light	X			
	Bulldozer medium	X			
	Bulldozer heavy	X			
	Crane mobile light	X			
	Crane mobile medium	X			
	Crane mobile heavy	X			
	Excavator (all types)	X			
	Fire fighting truck	X			
	Front end loader light	X			
	Front end loader medium	X			

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Front end loader heavy	X			
	Grader (all types)	X			
	Mine roller/plough combination (for tank)	X			
	Mine clearance system - vehicle mounted	X			
	Mobile Repair Team, armoured	X			
	Mobile Repair Team, wheeled	X			
	Roller, vibrator, medium	X			
	Road sweeper	X			
	Sawmill, Mobile	X			
	Snowblower, Truck	X			
	Tractor, Wheeled	X			
	Truck, folding pontoon bridge	X			
	Truck, launched bridge (scissor type)	X			
	Truck, pile driver	X			
	Truck, drill rig	X			
	Truck, excavator (wheeled) .6-1 cu metres	X			
	Tracked excavator 0.6-1cu metres	X			
	Wheeled excavator	X			
	Workshops, truck, heavy engr equipment	X			
	Other equipment, instruments and tools		S		
	Consumables			S	

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Petrol, oil and lubricants			E	
6	MATERIAL HANDLING EQUPMENT				
	Forklift light	X			
	Forklift medium	X			
	Forklift heavy	X			
	Container handling equipment	X			
	Forklift rough terrain	X			
	Forklift aircraft unloading	X			
	Other equipment, instruments and tools		S		
	Consumables			S	
	Petrol, oil and lubricants			E	
7	AIRCRAFT/AIRFIELD SUPPORT EQUIPMENT				
	Truck A/C refuelling	X			
	Fire fighting, crash and rescue	X			
	Aircraft loading vehicle	X			
	Runway sweeper	X			
	Truck aircraft stairs	X			
	Tractor A/C towing	X			
	Truck, auxillary power unit	X			
	Truck de-icing	X			
	Snowplow	X			
	Snowblower	X			

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Other equipment, instruments and tools		S		
	Consumables			S	
	Petrol, oil and lubricants			E	
8	TRAILERS				
	Light cargo single axle	X			
	Medium cargo single axle	X			
	Light cargo multi axle	X			
	Medium cargo multi axle	X			
	Heavy cargo multi axle	X			
	Water trailer	X			
	Fuel Trailer	X			
	Kitchen trailer	X			
	Laundry or bath trailer	X			
	Compressor trailer	X			
	Servicing trailer	X			
	Flatbed up to 20 ton	X			
	Flatbed over 20 ton	X			
	Lowbed up to 20 ton	X			
	Lowbed 20 - 40 ton	X			
	Lowbed over 40 ton	X			
	Trailer tank transporter	X			
	Semitrailer A/C refuelling	X			
	Semitrailer refuelling	X			
	Semitrailer water	X			

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Mine clearance system trailer mounted	X			
	Auxillary power unit	X			
	Other equipment, instruments and tools		S		
	Consumables			S	
	Petrol, oil and lubricants			E	
J	AIRCRAFT				
1	HELICOPTERS				
	Observation	X			handled on a special case basis
	Light utility	X			handled on a special case basis
	Medium utility	X			handled on a special case basis
	Medium utility nighttime	X			handled on a special case basis
	Light tactical	X			handled on a special case basis
	Medium tactical	X			handled on a special case basis
	Heavy Tactical	X			handled on a special case basis
	Heavy cargo	X			handled on a special case basis
	Heavy transport	X			handled on a special case basis
	Other equipment, instruments and tools		S		
	Consumables			S	

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Petrol, oil and lubricants			E	
2	FIXED WING				
	Light transport	X			
	Medium transport	X			handled on a special case basis
	Heavy transport	X			handled on a special case basis
	Light passenger	X			handled on a special case basis
	Medium passenger	X			handled on a special case basis
	Heavy passenger	X			handled on a special case basis
	Patrol	X			handled on a special case basis
	Airborne warning and communications	X			handled on a special case basis
	Reconnaissance	X			handled on a special case basis
	Fighter	X			handled on a special case basis
	Other equipment, instruments and tools		S		
	Consumables			S	
	Petrol, oil, lubricants			E	
K	ARMAMENT				
	Crew served machine guns	X			
	Mortars	X			

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Anti-tank and recoilless weapons	X			
	Anti-air weapons	X			
	Anti-air missile	X			may be a special case
	Anti-armour missile	X			may be a special case
	Ammunition - general			E	Reimbursed on actual usage
	Other equipment, instruments and tools		S		
	Consumables			S	
L	NAVAL VESSELS				
	Warships	X			handled on a special case basis
	Transport and logistics ships	X			handled on a special case basis
	Hospital ship	X			handled on a special case basis
	Underwater vehicles (manual or remote)	X			handled on a special case basis
	River Craft	X			handled on a special case basis
	Ocean Craft	X			handled on a special case basis
	Other equipment, instruments and tools		S		
	Consumables			S	
	Petrol, oil and lubricants			E	
M	MISCELLANEOUS				

General classification of major equipment, minor equipment and consumables					
Series	Items	Major equipment	Minor equipment	Consumables	Remarks
	Anti-biological/chemical equipment		S		
	General welfare & sport equipment		S		
	Riot Equipment		S		
	Riot Gear - Clothing and mask		S		
	Search and rescue equipment		S		
	Other equipment, instruments and tools		S		
	Consumables			S	

Annex IV

SUMMARY OF PROPOSALS SUBMITTED BY MEMBER STATES

Belgium

Belgium recommends the wet lease concept allowing for a maintenance factor approaching the real consumption in the field, and recommends that the stocks which have been sent to the field; and for any reason left behind at the end of the operation, be reimbursed by means of a letter of assist.

Canada

Canada presented a proposal for a "force leasing" arrangement based on a standard outline and costs for the number of personnel, vehicles and key equipment that are deployed, whereby the terms and conditions would be agreed in advance of deployment between the United Nations and the troop-contributing countries.

Denmark

Denmark presented a proposal for the wet/dry lease concept based on a standard price for a unit, calculated on key equipment, general equipment overhead and a dollar rate for personnel, but excluding sudden losses of equipment as a consequence of combat operations and theft. Ammunition consumed for operational purposes would be paid separately by the United Nations. The proposal would form the basis of a contract with the United Nations as applicable to all the troop- and equipment-contributing countries.

Egypt

Egypt presented a proposal based on the real value of the equipment and status, and according to a generic description provided at the time of the in-survey, allowing for reimbursement for spare parts, consumables and full ammunition in the mission area in excess of 10 months. The value of the write-off should be at the value at the time of the in-survey, less depreciation for the time of use in the mission area. The presentation also proposed starting and ending dates for participation in peace-keeping missions, levels of wet lease, inland transportation of contingent-owned equipment to the port of embarkation, and the classification of minor equipment into individual and major equipment-based.

India

The Indian proposal supports the leasing concept based on standard costs and standard quantities of equipment to be brought into a mission, recognizing that any deviation from the standard would require authorization from the United Nations. The proposal also recommends monthly payments at standard rates, as applicable, to all the troop- and equipment-contributing countries.

New Zealand

New Zealand proposes that three basic documents be used to establish a new system for reimbursement of contingent-owned equipment. They are:

(a) "United Nations Stand-By Forces - Guidelines for Personnel Based Organizations" (the benchmark document);

(b) A directory of equipment specifications for all major items of equipment specified in the benchmark document;

(c) A list of the outputs required to be produced or supplied by each component unit identified in the benchmark document.

Utilizing those documents as a basis for reimbursement, the United Nations would then purchase or lease capabilities and reimburse on a monthly basis according to the price negotiated.